Economics Information

Ontario

BEEF FEEDLOT COST STUDY
SOUTHERN, WESTERN, AND CENTRAL ONTARIO
1980

ECONOMICS BRANCH

ONTARIO MINISTRY OF AGRICULTURE AND FOOD
LEGISLATIVE BUILDINGS, TORONTO, ONTARIO, M7A 1B6

BEEF FEEDLOT COST STUDY

Southern, Western, and Central Ontario
26 Records, 1980

REPORT TO COOPERATORS

by
F.R. Abraham

Cooperator .....

Address .....

.....

County .....

Economics Branch
Ontario Ministry of Agriculture and Food
Legislative Buildings, Queen's Park
Toronto, Ontario M7A 1B6
June 1981

TABLE OF CONTENTS

	Page
BEEF FEEDLOT COST STUDY, 1980	1
The Sample	1
Methods Used in Handling Production Inputs and Outputs	1
Definition of Terms	4
Beef Feedlot Cost Study, 1980	4
The Feedlot Farm	5
The Beef Feedlot Enterprise	5
The Purchase of Light Versus Heavy Feeder Cattle	5
Gross Margin	6

INDEX TO TABLES

Table		*Page*
1.	Inventory Values and Transfer Prices of Homegrown Feeds	3
2.	Size, Production, Costs and Returns, Beef Feedlot Cost Study, 1977, 1978, 1979, and 1980	7
3.	Farm Income and Expenses per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	7
4.	Acres and Yields of Crops Produced (Owned and Rented Land), Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	9
5.	Performance and Resources per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	10
6.	Feedlot Enterprise Income and Expenses per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	11
7.	Feedlot Enterprise Income and Expenses per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	13
8.	Effect of Purchase Weight of Beef Feeder Cattle on Costs per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	15
9.	Gross Margin per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980	17

BEEF FEEDLOT COST STUDY, 1980

THE BEEF FEEDLOT COST STUDY has been an ongoing project since 1969 when six feedlot operators from Brant County provided data on their feedlot operations and farm business, using the Ontario Farm Record Book. In 1972, the study was expanded and data has been obtained from the cooperators' CANFARM records.

The purposes of the study are:

1. To determine the income and expenses of feedlot operations;

2. To obtain physical input-output ratios; and

3. To provide data for comparison to cooperating feedlot operators and to extension workers.

THE SAMPLE

Twenty-six feedlot operators cooperated in the Beef Feedlot Cost Study in 1980. They were located in Brant, Dufferin, *Durham, Huron, Kent, Norfolk, Oxford,* North and South Simcoe, Waterloo, and Wentworth counties. Each cooperator produced 750 or more hundredweight of beef and averaged 100 or more head on feed.

Several of the farmers had other livestock and some had income from cash crops. Most of the roughages and grains fed to the feeder cattle were produced on the farm. All operators purchased protein supplements and salt and minerals.

The feeder cattle were purchased in the West and at feeder sales in Ontario. Most of the feeder cattle were beef breeds, with some dairy or exotic crosses.

METHODS USED IN HANDLING PRODUCTION INPUTS AND OUTPUTS

County Extension Branch personnel supervised the CANFARM records of the cooperating farmers and a Beef Feedlot Summary was prepared by the Economics Branch. Appropriate data extracted from the CANFARM records has been used to prepare this report.

All inputs purchased and outputs sold were recorded as cash expenses and income whether the transaction was cash or credit and were entered at actual values. Physical quantities of inputs and of outputs sold were recorded.

Income and expenses directly attributable to the feedlot were credited and charged to the feedlot. Farm assets and other expenses were valued and allocated to the feedlot as described in the following discussion section.

Real Estate

Land and buildings were valued at current market prices. Depreciation was calculated on the original value of the buildings, using the diminishing balance method, up to 20 percent of original value when depreciation ceased on the assumption the buildings had reached obsolescence. Depreciation for

the current year was charged to the feedlot according to the portion used for the feedlot. Rates of depreciation and years to obsolescence follow.

Buildings	*Rate, %*	*Years*
Barn	8	20
Concrete & glass silos	8	20
Manure pits, etc.	8	20
Paved area	10	15
Bunk silo	10	15
Feedbunks & stabling	10	15

Machinery and Equipment

Current values for machinery were calculated by depreciating from the original value for the number of years owned to 20 percent of original value when depreciation ceased on the assumption the machine was obsolete or worn out. The depreciation for the current year was charged to the feedlot according to the use of the machine for the feedlot. The machines used for the feedlot, rates of depreciation, and years to obsolescence follow.

Machines	*Rate, %*	*Years*
Manure spreader	15	10
Manure loader	15	10
Feed wagons	15	10
Feeders & mixers	21	7
Silo unloader	21	7
Miscellaneous equipment	15	10

No depreciation for tractors, trucks, or cars was charged to the feedlot.

Livestock

Feeder cattle on hand at the beginning and ending of the year were valued at the market price appropriate for the weight.

Indirect Expenses

If there was no other livestock enterprise on the farm, the indirect expenses were allocated to the feedlot according to the following rates. An adjustment was made in the percentage allocation if there was another livestock enterprise on the farm.

Indirect expenses	*% to feedlot*
Machinery repair	10
Car (gas, lic., rep., ins., to $700)	30
Wages & salaries	50
Interest paid	60
Taxes, real estate	50
Building repair & maintenance	80
Hydro & telephone	75
Farm insurance	75
Miscellaneous farm expenses	40

Table 1.—Inventory Values and Transfer Prices of Homegrown Feeds

Feeds	Inventory value		Transfer price
	January 1, 1980	December 31, 1980	
		dollars	
Wheat, bu., feed	2.70	3.80	3.25
Oats, bu.	1.50	2.15	1.85
Barley, bu.	2.20	3.05	2.60
Mixed grain, bu.	1.80	2.55	2.20
Grain corn, bu.	3.00	3.80	3.30
Corn silage, ton	18.00	21.00	21.00
Haylage, ton	23.00	25.00	25.00
Hay, ton	45.00	50.00	50.00
Straw, ton	35.00	40.00	40.00

Crops and Supplies

Purchased feeds were recorded at actual cost. Homegrown feeds were valued similarly for all cooperators for inventory and transfer to the feedlot enterprise. Price quotes from the Economics Branch, Monthly Crop and Livestock Report were used for inventory values of the homegrown grains and the average yearly price for transfer value.

Roughages consumed were valued using the following method. Corn silage was valued on the basis that 13.8 ton was the equivalent of a 90-bushel crop of grain corn and then adjusted for the different harvesting costs of the two crops. The calculated value for corn silage was $21 per ton. Hay was valued at 2½ times that of corn silage; and haylage, oatlage, and barlage was valued at ½ that of hay. The inventory and transfer values used for the study are shown in Table 1.

Perquisites

Beef slaughtered for home use was credited as income to the beef enterprise.

Labor

There was no allowance for operator and family labor.

Interest on Equity

No calculation was made for interest on equity.

DEFINITION OF TERMS

Gross Farm Income

Includes all sales for feedlot cattle, other livestock, crops, miscellaneous items and changes in inventory for feedlot cattle, other livestock and for feeds and supplies.

Expenses

Includes all inputs purchased for the farm business and depreciation on buildings and machinery, but does not include the purchase of real estate or machinery.

Net Farm Income

Net farm income is obtained by subtracting total farm expenses from gross farm income.

Average Number on Feed

This was computed by averaging the counts of cattle on the first of each month.

Hundredweight of Beef Produced

This is calculated by subtracting beginning inventory weight and purchase weight of feeder cattle from ending inventory weight and sale weight of slaughter cattle.

Value of Beef Produced

This was calculated by subtracting the purchase cost of feeder cattle from the sales value of slaughter cattle and adjusting for change in inventory value.

BEEF FEEDLOT COST STUDY, 1980

The problems experienced in 1979 continued in 1980 — negative price margins, and greater interest charges and feed prices.

Calves purchased in the fall of 1979 at nearly $1.00 per pound and marketed in the summer of 1980 at about $0.80 per pound combined with higher feed costs and advancing interest rates evaporated the profitability of the beef feedlot enterprise for the year 1980.

The average yearly price for A1, A2 slaughter steers over 1,000 pounds at Toronto was $80.74 per hundred pounds in 1980, little changed from 1979. Good feeder steers 600 to 700 pounds averaged $83.18 per hundred pounds for the year, a decrease of 12 percent over 1979. The negative price margin, the difference between the purchase per hundred pounds and the sale price was $2.44.

THE FEEDLOT FARM

In 1980, gross farm income averaged $468,105 for the 26 beef feedlot operators on the study. Total farm expenses averaged $455,650 per farm — equal to 97 percent of gross farm income, compared to 93 percent in 1979. Net farm income — the amount left for operator and family labor, management, and return to equity and risk averaged $12,455 — about 1/3 of the net return in 1979. Beef cattle sales and inventory change accounted for 82 percent of gross farm income in 1980 (Table 3).

Several operators had other livestock enterprises, sold cash crops and earned income from custom operations.

The feedlot operators produced nearly all of the roughages and most of the grains fed to the feedlot cattle on the 417 tillable acres (Table 5).

The farmer's equity averaged nearly 70 percent of the total investment of $930,191 in the farm business (Table 5).

THE BEEF FEEDLOT ENTERPRISE

A review of some data from the 1977, 1978, and 1979 feedlot cost studies will help to put the 1980 figures in perspective.

The 26 operators in 1980 averaged six more head on feed but produced 150 fewer hundredweight than the 27 operators in 1979 (Table 2).

Both purchase and sale weights were lower in 1980 than in 1979 (Table 2).

The average sale price for cattle in 1980 was about the same as in 1979, while the average purchase price was lower than in 1979.

In 1980, feed accounted for 66 percent of the total allocated expenses, compared to 68 percent in 1979 (Tables 6 and 7). Feed expenses per hundredweight of beef produced were 11 percent higher than in 1979. Interest paid per hundredweight of beef produced was 66 percent higher than 1979, and 117 percent over the amount paid in 1978. Total allocated expenses at $70.98 per hundredweight of beef produced were 14 percent higher than in 1979. Returns after total allocated expenses at -$9.03 per hundredweight of beef produced represents a sizeable loss compared to a gain of $4.16 per hundredweight in 1979.

THE PURCHASE OF LIGHT VERSUS HEAVY FEEDER CATTLE

Eight of the 26 feedlot operators purchased cattle averaging less than 600 pounds in weight, 5 purchased cattle weighing between 600 to 699 pounds, 7 purchased feeder cattle exceeding 700 pounds, and 5 purchased cattle over 800 pounds. Average purchase weights for the four groups were 507, 655, 735, and 866 pounds respectively. Average purchase price was lower for the heavier feeder cattle (Table 8).

The two heavy categories were fed grain at twice the rate of the lighter cattle. The heavier cattle were fed more silage and hay. Total feed expense was higher for the heavier cattle (Table 8).

All feedlot operations lost money after deducting both direct and indirect expenses (Table 8). Those operators purchasing cattle up to 599 pounds lost an average of $0.28 per hundredweight of beef produced. Those operators purchasing cattle weighing more than 800 pounds lost $20.84 per hundredweight. This pattern does not strictly parallel the results for 1979. In both years however, the lightest category was the most profitable compared to the other weight ranges.

GROSS MARGIN

Gross margin is another tool for the farm manager to use in decision making. It can be used as a check on technical efficiency and in farm planning. The gross margin of an enterprise is the value of output of the enterprise less its variable costs. Variable — or direct — costs are those costs which occur because an enterprise is operated, while fixed — or indirect — costs are ongoing whether or not the enterprise is operated (e.g., property taxes and depreciation).

Gross margin is not profit. Fixed costs must be covered by the total farm gross margin to arrive at farm profit. Gross margin may vary from year to year because of price differences affecting output, and because purchased inputs may vary with changing feed prices, and incidence of illness requiring more or less veterinary service and medication. Level of management will also cause differences between farms.

Output may vary between farms because of size or type of cattle on feed. Also, items of variable cost may differ between farms. Interest paid for loans to purchase cattle may be high on some farms and very low on others.

Comparison of gross margin in one year with averages developed over several years as a kind of standard, can be a useful check on technical efficiency, provided the above points are kept in mind.

In farm planning, gross margin is only one relevant feature of an enterprise. For expansion or contraction of an enterprise, or substitution of another enterprise, the manager should keep in mind the demand on other resources, such as labor or size of present machinery or working capital. A change in size of enterprise may alter the fixed costs per unit of production.

For the one-third of the producers with the highest net returns per hundredweight of beef produced, the total variable costs were $9 per hundredweight lower than for the average. This was mostly accounted for by lower feed costs. Coupled with the higher value of livestock produced, the gross margin was $11.04 higher per hundredweight of beef produced for the high one-third than for the average of all producers (Table 9).

Table 2.—Size, Production, Costs and Returns, Beef Feedlot Cost Study, 1977, 1978, 1979, and 1980

	1977	1978	1979	1980
Number of records	34	26	27	26
Ave. number of cattle on feed	296	263	284	290
Ave. cwt. of beef produced	1,795	1,703	2,114	1,964
Ave. purchase wt., lb.	667	670	732	676
Ave. purchase price per cwt., $	43.02	72.67	95.50	87.94
Ave. sale wt., lb.	1,073	1,110	1,176	1,125
Ave. sale price per cwt., $	44.14	61.77	79.56	79.31
PER FEEDLOT, $				
Value of beef produced	100,636	155,617	140,490	121,634
Total allocated expenses	86,331	85,875	131,669	139,320
Returns after total allocated expenses	14,305	69,742	8,821	-17,686
PER CWT. OF BEEF PRODUCED, $				
Feed cost	33.44	33.73	42.10	46.54
Other direct costs	3.82	4.58	5.08	5.56
Indirect costs	10.84	12.10	15.12	18.88
Total allocated expenses	48.10	50.41	62.30	70.98
Returns after total allocated expenses	7.98	40.95	4.16	-9.03

Table 3.—Farm Income and Expenses per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	26	9	10	15	1
PER FARM			dollars		
Income:					
Feedlot sales[b]	393,145	529,502	452,442	352,275	.....
Other livestock sales	20,664	13,552	7,179	27,579	.....
Crop sales	36,282	37,465	58,914	23,185	.....
Custom work	9,611	22,056	18,569	4,280	.....
Other (rebates, etc.)	4,017	6,754	2,741	4,863	.....
Inventory change:					
Feedlot cattle	-8,238	30,458	-9,041	-1,722	.....
Other livestock	1,260	-133	-2,114	2,577	.....
Feeds, crops, & supplies	11,364	24,399	17,446	5,715	.....
GROSS FARM INCOME	468,105	664,053	546,136	418,752	.....

(Table 3 is concluded on the next page.)

Table 3.—Concluded

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Expenses:					
Livestock:					
Livestock purchases	267,002	378,371	304,411	246,384	.....
Veterinary & medicine	1,777	2,601	2,409	1,384	.....
Purchased feeds	39,343	54,341	38,095	39,895	.....
Marketing & trucking	6,215	9,725	7,343	4,644	.....
Other	3,950	3,186	2,224	2,280	.....
Crops:					
Fertilizer	15,232	18,270	19,318	12,363	.....
Sprays	5,384	7,094	7,850	3,887	.....
Seed	4,398	5,563	4,124	4,332	.....
Custom work	3,809	4,966	4,835	3,288	.....
Other	5,547	4,452	3,667	7,093	.....
Machinery & truck repairs	8,991	10,452	9,905	8,015	.....
Fuel (machinery & truck)	6,655	9,374	8,158	5,733	.....
Car	1,044	1,274	990	1,074	.....
Interest paid	37,625	42,564	53,761	27,285	.....
Hired labor	5,038	6,353	7,674	3,573	.....
Taxes	3,410	4,376	4,900	2,337	.....
Land rent	4,025	6,217	4,722	3,561	.....
Hydro & telephone	1,964	2,258	2,466	1,684	.....
Bldg. repair & maintenance	3,706	4,186	3,578	3,639	.....
Farm insurance	2,821	3,353	3,561	2,353	.....
Other farm expense	1,892	2,370	2,143	1,444	.....
Dep., bldg. & mach.	25,822	30,248	30,128	20,639	.....
TOTAL FARM EXPENSES	455,650	611,594	526,262	406,887	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	12,455	52,459	19,874	11,865	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 4.—Acres and Yields of Crops Produced (Owned and Rented Land), Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records		High 1/3[a]		Southern Ontario		Western Ontario		Your farm	
Crop	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld
Wheat, bu.	34.2	60.5	33.6	52.0	63.9	63.4	14.0	51.4	....	....
Spring grain, bu. ...	31.2	64.6	31.0	63.8	40.7	69.8	24.7	60.2	....	....
Grain corn, bu.	129.2	82.5	192.4	86.0	156.7	95.0	112.7	71.3	....	....
Hay, ton	28.4	3.0	33.6	2.8	24.5	2.9	28.5	3.0	....	....
Corn silage, ton	115.8	11.9	152.7	11.6	141.9	12.8	92.7	11.1	....	....
Haylage,[b] ton	40.6	5.8	50.4	6.1	17.3	6.5	54.5	5.4	....	....
Other	20.6	xxx	13.8	xxx	35.1	xxx	12.4	xxx	....	....
Tillable pasture	17.3	xxx	33.3	xxx	30.0	xxx	10.0	xxx	....	xxx
TOTAL TILLABLE ACRES	417.3	xxx	540.8	xxx	510.1	xxx	349.5	...	....	xxx

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Includes barlage, oatlage, etc.

Table 5.—Performance and Resources per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	26	9	10	15	1
Investment, $:					
Land & buildings	501,322	621,214	817,058	304,253	.....
Machinery	137,356	171,044	179,585	108,140	.....
Feedlot cattle	207,441	256,482	230,486	184,998	.....
Other livestock	10,050	9,264	6,060	6,898	.....
Crops, feeds, & supplies	74,022	98,778	97,043	56,555	.....
TOTAL	930,191	1,156,782	1,330,232	660,844	.....
Farmer's equity, $	648,626	837,861	952,449	443,077	.....
Resource performance:					
Till. acres (owned & rented) ...	417	541	510	350	.....
Man equivalents, no.	1.9	2.4	2.3	1.7	.....
Capital turnover, years	2.0	1.7	2.4	1.6	.....
Cost control index, %	2.7	7.9	3.6	2.8	.....
Percent equity, %	69.7	72.4	71.6	67.0	.....
Feedlot performance:					
Cwt. of beef produced	1,964	2,878	2,292	1,763	.....
Average number on feed	290	392	356	242	.....
Death loss, no.	6.1	10.4	9.5	4.2	.....
Sales:[b]					
Number sold	441	603	541	374	.....
Price per head, $	892.01	878.52	837.08	941.57	.....
Price per cwt., $	79.31	79.14	78.99	79.60	.....
Wt. per head, lb.	1,125	1,110	1,060	1,183	.....
Purchases:					
Number purchased	444	674	560	374	.....
Price per head, $	594.70	558.28	543.09	645.59	.....
Price per cwt., $	87.94	90.18	89.61	86.82	.....
Wt. per head, lb.	676	619	606	744	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 6.—Feedlot Enterprise Income and Expenses per Farm, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	26	9	10	15	1
PER FARM			dollars		
Income:					
Feedlot cattle sales[b]	393,805	530,082	453,146	352,903	.....
Less livestock purchases	-263,933	-376,281	-304,350	-241,107	-.....
Livestock inventory change	-8,238	30,458	-9,041	-1,722	.....
VALUE OF BEEF PRODUCED	121,634	184,259	139,755	110,074	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	7,205	10,382	8,058	6,691	.....
Grain	42,872	49,623	43,163	42,136	.....
Hay	2,710	3,405	2,432	3,010	.....
Silage	31,055	37,907	38,724	25,415	.....
Haylage & grainlage	4,941	7,499	2,116	6,624	.....
Salt & mineral	897	1,131	932	897	.....
Pasture	712	1,389	1,250	400	.....
Other	987	1,662	1,604	640	.....
Total	91,379	112,998	98,279	85,813	.....
Bedding	1,807	2,648	2,740	1,163	.....
Veterinary & medicine	1,753	2,601	2,409	1,342	.....
Marketing & trucking	6,156	9,572	7,343	4,543	.....
Other	1,193	2,524	1,758	791	.....
Total direct expenses	102,288	130,343	112,529	93,652	.....
Indirect expenses:					
Machinery repair	1,059	1,000	1,532	669	.....
Car	188	242	159	221	.....
Interest paid	21,988	26,015	30,753	15,920	.....
Hired labor	2,055	2,649	3,837	1,004	.....
Taxes	1,457	1,966	2,337	907	.....
Hydro & telephone	1,250	1,408	1,700	972	.....
Bldg. repair & maintenance	2,485	2,647	2,534	2,259	.....

(Table 6 is concluded on the next page.)

Table 6.—Concluded

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Insurance	1,836	2,112	2,441	1,464	.....
Other	583	745	777	450	.....
Depreciation:					
Buildings	2,481	2,033	2,745	2,428	.....
Machinery	1,650	2,579	1,943	1,518	.....
Total indirect expenses	37,032	43,396	50,758	27,812	.....
TOTAL ALLOCATED EXPENSES	139,320	173,739	163,287	121,464	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	-17,686	10,520	-23,532	-11,390	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Includes perquisites.

Table 7.—Feedlot Enterprise Income and Expenses per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	26	9	10	15	1
Cwt. of beef produced	1,964	2,878	2,292	1,763	.....
Average number on feed	290	392	356	242	.....
Number livestock sold	441	603	541	374	.....
Sales wt. per head, lb.	1,125	1,110	1,060	1,183	.....
Sales price per cwt., $	79.31	79.14	78.99	79.60	.....
Number livestock purchased	444	674	560	374	.....
Purchase wt. per head, lb.	676	619	606	744	.....
Purchase price per cwt., $	87.94	90.18	89.61	86.82	.....
PER CWT. OF BEEF PRODUCED			dollars		
Value of beef produced	61.95	64.02	60.97	62.45	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	3.67	3.61	3.52	3.80	.....
Grain	21.83	17.24	18.83	23.90	.....
Hay	1.38	1.18	1.06	1.71	.....
Silage	15.82	13.17	16.89	14.42	.....
Haylage & grainlage	2.52	2.61	.92	3.76	.....
Salt & mineral	.46	.39	.41	.51	.....
Pasture	.36	.48	.55	.23	.....
Other	.50	.58	.70	.36	.....
Total	46.54	39.26	42.88	48.69	.....
Bedding	.92	.92	1.20	.66	.....
Veterinary & medicine	.89	.90	1.05	.76	.....
Marketing & trucking	3.14	3.33	3.20	2.58	.....
Other	.61	.88	.77	.45	.....
Total direct expenses	52.10	45.29	49.10	53.14	.....
Indirect expenses:					
Machinery repair	.54	.35	.67	.38	.....
Car	.10	.08	.07	.13	.....

(Table 7 is concluded on the next page.)

Table 7.--Concluded

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Interest paid	11.20	9.04	13.41	9.03	.....
Hired labor	1.05	.92	1.67	.57	.....
Taxes	.74	.68	1.02	.51	.....
Hydro & telephone	.64	.49	.74	.55	.....
Bldg. repair & maintenance	1.27	.92	1.11	1.28	.....
Insurance	.94	.73	1.06	.83	.....
Other	.30	.26	.34	.26	.....
Depreciation:					
Buildings	1.26	.71	1.20	1.38	.....
Machinery	.84	.90	.85	.86	.....
Total indirect expenses	18.88	15.08	22.14	15.78	.....
TOTAL ALLOCATED EXPENSES	70.98	60.37	71.24	68.92	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	-9.03	3.65	-10.27	-6.47	.....
FEEDS FED PER CWT. OF BEEF PRODUCED			pounds		
Supplement	27	27	30	24	.....
Grain	365	292	331	387	.....
Hay	61	51	51	71	.....
Silage	1,492	1,240	1,608	1,346	.....
Haylage & grainlage	224	214	88	333	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

Table 8.—Effect of Purchase Weight of Beef Feeder Cattle on Costs per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	Cattle purchased, lb.				
	To 599	600 to 699	700 to 799	800 & over	Your farm
Number of records	8	5	7	5	1
Hundredweight of beef produced	1,525	3,258	2,018	1,473	.....
Average number on feed	251	440	291	230	.....
Number sold	312	746	456	370	.....
Selling wt. per head, lb.	989	1,144	1,182	1,162	.....
Selling price per cwt., $	78.49	80.20	78.94	78.76	.....
Number purchased	367	679	457	402	.....
Purchase wt. per head, lb.	507	655	735	866	.....
Purchase price per cwt., $	96.00	88.74	85.50	83.31	.....
FEEDS FED PER CWT. OF BEEF PRODUCED			pounds		
Supplement	29	25	35	14	.....
Grain	205	356	476	402	.....
Hay	73	45	47	108	.....
Silage	1,545	1,447	1,344	2,008	.....
Haylage & grainlage	165	162	298	229	.....
PER CWT. OF BEEF PRODUCED			dollars		
Value of beef produced	54.52	66.39	65.64	57.68	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	3.88	3.21	4.69	2.59	.....
Grain	11.66	20.36	29.20	25.38	.....
Hay	1.73	1.01	1.15	2.21	.....
Silage	15.81	15.59	14.11	20.36	.....
Haylage & grainlage	1.93	1.85	3.69	3.07	.....
Salt & mineral	.37	.49	.36	.69	.....
Pasture	1.02	..	..	.81	.....
Other	.38	.81	.01	1.05	.....
Total	36.78	43.32	53.21	56.16	.....

(Table 8 is concluded on the next page.)

Table 8.—Concluded

	Cattle purchased, lb.				
	To 599	600 to 699	700 to 799	800 & over	Your farm
Bedding	.77	1.05	.89	1.01	.....
Veterinary & medicine	.99	1.00	.73	.87	.....
Marketing & trucking	1.93	4.57	3.42	1.48	.....
Other	.18	1.21	.49	.23	.....
Total direct expenses	40.65	51.15	58.74	59.75	.....
Indirect expenses:					
Machinery & truck	.37	.42	.52	1.18	.....
Car	.08	.06	.09	.20	.....
Interest paid	7.65	14.77	10.57	9.21	.....
Hired labor	.64	1.63	.66	1.26	.....
Taxes	.72	.72	.80	.76	.....
Hydro & telephone	.56	.55	.75	.70	.....
Building repair & maintenance	1.22	.61	1.56	2.36	.....
Insurance	.81	.85	1.11	.84	.....
Other	.26	.28	.35	.29	.....
Depreciation:					
Building	1.44	.90	1.25	1.37	.....
Machinery	.40	1.03	.89	.60	.....
Total indirect expenses	14.15	21.82	18.55	18.77	.....
TOTAL ALLOCATED EXPENSES	54.80	72.97	77.29	78.52	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	-.28	-6.58	-11.65	-20.84	.....

Table 9.—Gross Margin per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern, Western, and Central Ontario, 26 Records, 1980

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	26	9	10	15	1
			dollars		
Value of beef produced	61.95	64.02	60.97	62.45	.....
Variable costs:					
Feed	46.54	39.26	42.88	48.69	
Interest paid	11.20	9.04	13.41	9.03	.....
Other	5.56	6.03	6.22	4.45	.....
Total	63.30	54.33	62.51	62.17	.....
Gross margin	-1.35	9.69	-1.54	.28	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).